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Instr: 201101130001667
P: 1 of 2 F: \$29.00 01/13/2011
Rick Campbell 12:54PM LEAS
Stark County Recorder T20110001416

**NON-DRILLING AND NON-SURFACE TRESPASS
OIL & GAS LEASE**

THIS LEASE, made this 28 day of December, 2010, by and between

Joseph C. & Mary J. Pugliese
1100 Industrial Ave SW
Massillon, OH 44647

hereinafter called the Lessor, and Lake Region Oil, Inc, P. O. Box 499, Dalton, Ohio 44618, hereinafter called the Lessee, do agree:

1. Lessor, for consideration, grants Lessee all the oil and gas in the lands described below, with the exclusive rights to operate for, produce and market the same from a well or wells on other lands; the right to unitize Lessor's lands, or any portion, with other lands into a drilling unit(s). This lease is to be for 5 year(s), and as long thereafter as operations are being conducted on any such unit or oil or gas can be produced in paying quantities in Lessee's judgment from any such unit.

This lease is for the following Permanent Parcel Number(s): 05-00192 & 05-00194 containing 9.01 acres. Locate in the City of Massillon, County of Stark, State of Ohio and part of OL 512.

2. Lessor shall be paid as royalties a proportional share of one-eighth (1/8) of on all the oil and gas produced and marketed from each well drilled and unitized, as the amount of the Lessor's acreage in the unit bears to total acreage in the unit, the same to be paid by the end of the next month following Lessee's receipt of payment for same, less any tax imposed by any government body, including but not limited to the severance tax.

3. No well shall be drilled on Lessor's property, nor shall Lessee enter upon or install any installation of any nature whatsoever on the leased property, the within Lease being granted solely for the purpose of permitting the Lessee to unitize the leased property with other properties, which other properties shall bear all the burden of development.

4. This Lease shall be binding on all heirs, successors, and assigns of Lessor and Lessee. If the leased land is hereinafter owned in separate tracts, the premises, nevertheless, shall be treated as an entirety and all payments due shall be paid proportionally (on an acreage basis) to each separate owner, and if Lessor owns less than the entire fee, Lessor shall be paid only his proportional share of any payment due. Lessee may at any time surrender this Lease in whole or in part.

5. No change of ownership in the leased premises or in the rentals or royalties hereunder shall be binding on Lessee until after notice to the Lessee either by delivery of notice in writing duly signed by the parties to the instrument of conveyance or assignment and delivery of such original instrument or a duly certified copy thereof to the Lessee.

6. In the event Lessor considers Lessee has not complied with its expressed or implied obligations hereunder, Lessor shall notify Lessee in writing indicating specifically what Lessee allegedly has breached. Lessee shall have 30 days after receipt of said notice to meet or commence to meet any part of the breach alleged by Lessor. Lessor shall not bring any action against Lessee until 30 days after service of such notice on Lessee.

7. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that Lessee, at its option, may pay and discharge any taxes, mortgages, or other liens levied, or assessed on or against the said lands and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders, thereof and may reimburse itself for any payments due hereunder. This lease contains all the agreements of the parties, and there shall be no implied covenants or verbal representations.

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IN WITNESS WHEREOF, the undersigned have executed this instrument on the date appearing above.

Signed and acknowledged in the presence of:

Lessor(s):

Joseph Pugliese
Lessor Signature

C. Joseph Pugliese
Lessor Printed Name

Mary Jo Pugliese
Lessor Signature

Mary Jo Pugliese
Lessor Printed Name

Signature of Lessee
Lake Region Oil Inc:

[Signature]
By:

Title: President

Notary Public and Witness To all Signatures:

STATE OF OHIO)
COUNTY OF WAYNE) SS:

The foregoing instrument was acknowledged before me this 28 day of December 2010,

by HEWARD J. WENGLER
Name and Title

[Signature]

Notary Public
My Commission Expires:
Notary Public, State of Ohio
My Commission Expires April 30, 2012

STATE OF OHIO)
COUNTY OF STARK) SS:

The foregoing instrument was acknowledged before me this 28 day of December 2010,

by Joseph C. & Mary J. Pugliese
Name and Title

[Signature]

Notary Public
My Commission Expires:
ROBERT J. DERVIN II
Notary Public, State of Ohio
My Commission Expires April 30, 2012

This instrument prepared by: Lake Region Oil, Inc., P. O. Box 499, Dalton, OH 44618